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KAHN, GOSCHKA WORK TO PRESERVE JOBS IN SAGINAW COUNTY

Legislation drafted by the two lawmakers would help companies looking to move out-of-state to sell the business, preserving jobs in the process

LANSING – Representative Roger Kahn (R-Saginaw Township) and Senator Mike Goschka (R-Brant) today announced the introduction of legislation that will permit the transfer of personal property tax abatements within the state’s manufacturing sector.

“This legislation has the potential of saving over 1,000 jobs in Saginaw County alone,” Kahn said. “If Delphi or any other company in our state is looking at the prospect of moving out, we must do all that we can to save existing jobs. Without the ability to transfer an existing tax abatement, many otherwise attractive business ventures lose their luster.”

The various tax incentive and exemption programs, such as the Personal Property Tax Abatement program, have been, and continue to be, a vital component in Michigan’s economic recovery arsenal, said Kahn. The use of these programs has encouraged a number of Michigan-based businesses to either remain in or expand their operations in our state.

“Current law does not permit a company that may be consolidating its operations to transfer the balance of an existing Personal Property Tax Abatement assigned to a given facility to another owner,” Goschka said. “That prohibition strips away a key feature from a project’s attractiveness for a potential buyer.”

That is why Goschka and Kahn see a compelling need for the legislation. The two bills, House Bill 6479 and Senate Bill 1313, are one of the highest priorities for both lawmakers.

“It’s a ‘win-win’ for all concerned,” Goschka said. “The selling company is more attractive to potential buyers; the buying firm enjoys the balance of an already-granted tax abatement; and the workers who might otherwise be adversely impacted by the consolidation will remain employed.”

The two legislators noted that while their legislation was initially crafted to address the announced closure of two Delphi plants in the Saginaw area, the application of their concept would have statewide value.

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